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C O N F I D E N T I A L SECTION 01 OF 03 NICOSIA 000189

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DEPARTMENT FOR EUR/SE

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TAGS: [PGOV](#) [PREL](#) [CY](#) [TU](#)

SUBJECT: LEADERS TO MEET MARCH 21; STILL WORK TO BE DONE

REF: NICOSIA-EUR/SE EMAILS OF 03/12-13/2008

Classified By: Ambassador Ronald Schlicher, Reasons 1.4 (b), (d)

¶1. (C) SUMMARY: Turkish Cypriot negotiator Ozdil Nami and Republic of Cyprus Presidential Commissioner George Iacovou met March 12, the first gathering of the sides' representatives since the February 24 RoC presidential elections. UNFICYP chief Michael Moller subsequently described the meeting as excellent, with Nami and Iacovou having settled on March 21 for the "summit" between RoC President Demetris Christofias and T/C leader Mehmet Ali Talat. Further, the UN official claimed that agreement on opening Ledra Street was near, and that formal recommencement of full-fledged settlement negotiations might come sooner than expected. Media on March 13 mostly echoed Moller's good-news review, buoying moods here somewhat and offering a respite from recent inter-communal sniping. Our follow-up calls on Nami and Iacovou showed the sides still far apart on key issues, however, primarily regarding the July 8 Agreement and the Annan Plan (Refs). For the leaders' meeting to truly succeed, the UN, international community, and the communities themselves must somehow bridge these gaps. END SUMMARY.

Sides Re-engage After Winter Break

¶2. (SBU) Meetings between G/C and T/C negotiators occurred frequently after the signing of the July 8 (2006) Agreement, with Tasos Tzionis and Rashid Pertev engaging 52 times, according to the UN's count. These gatherings halted in late 2007, however, in the run-up to the RoC elections. Upon Christofias's win and his nomination of three-time former FM Iacovou as community representative, pundits wondered when the UN-brokered gatherings would re-commence and under what format. They did not have to wait long. Media reported on March 10 that Nami and Iacovou would meet in Moller's UNFICYP offices on March 13. Topping their agenda were preparations for a follow-on meeting between Talat and Christofias. The negotiators' stances differed over the Ledra Street crossing, however, with Nami initially telling media he would not discuss it, while Iacovou insisted it was on his list.

¶3. (C) Immediately upon its conclusion, Moller telephoned the Ambassador with a readout of the negotiators' "excellent" engagement. They had set a date for the leaders' meeting -- March 21. A deal on opening Ledra Street also seemed imminent. Moller hoped to keep the news on Ledra under wraps, however, since "in this context, anything is liable to unravel." A year earlier, he recalled, UNFICYP had brokered an arrangement to begin the July 8 committee process, only to see it unravel after a secret weekend visit to Cyprus by Turkish MFA Undersecretary Ertugrul Apakan.

14. (C) Almost giddy, the UN diplomat speculated that Christofias and Talat, at the end of their meeting, might even issue a joint request for the full resumption of the Secretary General's good offices mission. He admitted to

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some naughty pleasure that such a call by the leaders could put UNHQ in a bureaucratic pickle, since it so far had not even identified his successor (Note: Moller is expected to depart Cyprus on/about March 31, since the Secretariat declined to extend his contract. Many claim that Turkish pressure on UNSYG Ban to make a change underpinned the decision.)

Sides Mostly Praise Negotiators' Work

15. (SBU) Media generally covered the negotiators' meeting favorably. Opposition G/C newspaper "Politis" reported March 13 that Iacovou and Nami had reached agreement on three basic issues: the date for the leaders' meeting, the framework for discussions therein, and the opening of Ledra Street. Discussions on Ledra had gone into great detail over crossing modalities, the positioning and role of both sides' security forces, and demarcation of the buffer zone. Pro-government "Phileleftheros," perhaps still transitioning between serving hard-line ex-President Tassos Papadopoulos and the more flexible Christofias, focused less on the negotiators' meeting and more on a foreboding prediction that Talat would float a new negotiating methodology that buried the G/Cs' preferred July 8 process. Turkish Cypriot media, while reporting the meeting factually and faithfully, buried their accounts on back pages. Taking center-stage instead was news of the same-day gathering of AKEL and CTP party leaders, who supposedly had reached agreement on a wider range of topics,

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including the need to implement July 8 immediately.

16. (C) While cautioning us "not to read too much" into the representatives' meeting, Turkish Cypriot negotiator Ozdil Nami described it as "cordial, not contentious...and positive." Both men sought to move the process forward, Nami added, by purposefully avoiding procedural rules that could limit the leaders' March 21 discussion and flexibility. Ledra Street had figured high in the March 12 gathering, and the T/C negotiator dove into details. Step I of the agreed-on process involved demining, with teams from both sides fanning outwards from the crossing route to ensure the nearby area was safe for passers-by. Next, municipal workers would shore up decrepit buildings, a process lasting 7-10 days. Military would remain nearby, but out of sight, a voluntary move (vice a concession, Nami clarified) on the part of the Turkish Cypriot security forces.

17. (C) The meeting was not free from friction. Iacovou had continued to press for a final demarcation of the crossing route that favored Greek Cypriots, citing the most recent UN Security Council resolution for support. Moller prevented that discussion from going forward, however. Nami also blasted Iacovou for having spoken to media immediately following their meeting, breaking the gag rule that aimed to prevent such counter-productive grandstanding. Nonetheless, the T/C representative was plainly pleased with the Iacovou get-together, and looked forward to even greater progress from the leaders' meeting. And, like Moller, Nami thought the two men, at the conclusion of the tete-a-tete, could issue a joint call for the UN to restart comprehensive Cyprus Problem negotiations.

Iacovou: Progress, Yes, But...

18. (C) The veteran G/C negotiator, 30 years Nami's senior,

also considered Ledra's opening a near-done deal. "We've overcome most sticking points and hope to open it by April 15," Iacovou informed the Ambassador March 13. In a show of good faith, the Greek Cypriots had not conditioned progress on Ledra with similar movement towards opening Limnitis crossing in northwest Cyprus, he explained, but would expect Talat to pursue Limnitis vigorously. The creation of additional crossing points and similar CBMs could not take the place of progress on the settlement track, however. Ominously, Iacovou suggested the RoC might even "stall" on Ledra if continuing Turkish/Turkish Cypriot "intransigence" left the current stalemate in place.

¶9. (C) Nami's inability and/or unwillingness to discuss July 8 had left Iacovou frustrated. The agreement -- "one of only four the two sides have managed to reach in 35 years" -- constituted the only basis for restarting settlement talks. Greek Cypriots would never permit their counterparts to "sneak the Annan Plan through the back door," Iacovou asserted. Yet with Talat's recent letter to UNSYG Ban, followed by a similar missive from Turkish PM Erdogan, the opposite side was attempting just that. Rubbishing July 8 would set Cyprus negotiations back months, if not years. Iacovou indicated that he and Christofias did not want to use the July 8 procedure as a means of avoiding substantive engagement, and suggested that the leaders meet again after a given period to review progress made; however, the G/C side will not let Talat get away from his July 8 commitments, especially in a context where they suspect that the Turks are trying to paint them as the intransigent party with the revival of the Annan Plan. Iacovou asked the Ambassador to convey this firm message to Turkey and the T/Cs.

¶10. (C) Iacovou expressed similar worries over the imminent UN Assessment Mission. The New York-based team would find UNFICYP headless, owing to Moller's expected March 31 departure -- a "disastrous" development, he lamented. Secretariat technocrat Lynn Pascoe, not a recognized

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political figure, would lead the mission, downgrading it in many eyes. Finally, their schedule seemed overly ambitious for such a short (three working days) stay. Regardless, the G/C community would ensure Pascoe saw its requisite political will to move the process forward, Iacovou promised.

Comment

¶11. (C) The positive spin that the Iacovou-Nami meeting generated was welcome and the timing fortuitous. Days earlier, the goodwill and rising expectations that

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Christofias's election had spawned was morphing into more familiar cross-communal sniping. Talat and the Turkish side had drawn first blood with their letter-writing misadventures. By insisting on the Annan Plan as the basis for future negotiations -- a clear non-starter south of the Green Line -- it was certain Christofias would have to react within his community's own red lines. With news of an impending leaders' meeting, however, bickering has subsided somewhat and an air of guarded optimism has returned to Nicosia.

¶12. (C) Ledra Street represents the negotiators' low-hanging fruit; they and the UN are right to focus attention there. Yet real progress on the settlement track remains threatened by the sides' rhetorical positions on the July 8 Agreement and Annan Plan. There clearly is room to bridge the rhetorical gaps if the political will exists in Nicosia, Lefkosa, and Ankara, though the presence of such will is not clear. Much as Talat might like, he signed July 8 and cannot repudiate it without significant political cost, nor can he realistically expect that comprehensive negotiations commence

based solely and specifically on a document already rejected by the other side. Similarly, Christofias can continue to toe the G/C line regarding the "imposed" Annan Plan, but he knows that July 8 is procedural in nature and not a substitute for substance, and that much of Annan's content will reappear in any conceivable settlement plan. Moller and the leaders must narrow these differences to ensure a successful meeting on March 21. One compromise arrangement would entail allowing the July 8 Agreement's committees and working groups to form and operate, but only for a limited time and with an express mission to utilize the UN's previous body of work -- not the Annan Plan specifically -- in reaching a new basis for talks.

SCHLICHER